

## **Questions/Answers for the Cascade Sewer Project**

### **What is this project all about?**

The Zumbro Ridge Estates Mobile Home Park and the Hallmark Terrace Mobile Home Park both have sewer systems that are not capable of meeting new treatment requirements that will be imposed by the Minnesota Pollution Control Agency (MPCA) in the near future. Cascade Township has been asked to coordinate a sanitary sewer improvement project for the mobile home parks (MHPs) and surrounding properties in anticipation of these rule changes.

### **Where will this project take place?**

This sewer project is proposed to include the properties in the Zumbro Ridge Estates Mobile Home Park, the Hallmark Terrace Mobile Home Park, the homes in-between the two known at the Portland Court Area as well as homes and businesses along Co. 33 from the MHPs to the junction with Buckridge Drive. The project would include a lift station constructed near the MHPs and a force main conveying sewage from the MHPs and homes to a connection with the City of Rochester's sanitary sewer system near 55<sup>th</sup> Street. The City of Rochester would then treat the sewage at its treatment facility.

### **What are the estimated costs for this project?**

The total project cost is currently estimated to be approximately \$2.1 million. This project cost includes the following items:

- Construction of Lift Station and Forcemain
- Connections to each MHP and surrounding properties
- City of Rochester Sewer Availability Charge (SAC) for each property
- City of Rochester Plant Investment Fee (PIF) for each property
- Engineering, Legal and Financing Related Fees

Note – this does not include the cost for decommissioning of the existing wastewater systems.

It is also important to note that the cost figures are estimates only and will likely change before completion of the project.

### **What State Funding is available?**

The MPCA has concluded that the project will be eligible for the Point Source Implementation Grant (PSIG) program. This means that when program funding is available the project is eligible to receive an 80% grant and the loan portion for the project will be 20% at about 1% interest!

### **How much will the project cost the homes along Portland Court and the surrounding area?**

The project loan is projected to be approximately \$425,000, assuming the project receives an 80% Point Source Implementation Grant (PSIG). As mentioned above, this does not include a cost of the decommissioning of the existing septic treatment infrastructures. The exact structure for dividing project costs between the MHPs and surrounding properties has not yet been finalized. The loan payback cost for a residential home to participate in the project is expected to be \$2,500 - \$3,500 – which is significantly less costly than constructing a new septic drainfield and/or mound system. This cost is typically payable over 20 years and is usually collected through your semi-annual tax payment.

### **What will be the monthly charge by the City of Rochester to treat our sewage?**

Rochester will charge Cascade Township a single monthly rate for treating the sewage primarily based on the quantity of sewage pumped by the lift station. Each participant in the project will pay a share of this monthly charge proportional to their monthly usage. Based on 2018 rates, a typical residence using 5,000 gallons per month would likely be charged \$25-30 monthly. The City typically increases rates approximately 3% annually.

### **Are there any other costs?**

Cascade Township will also have a charge for the operation and maintenance of the collection system as well as needing to collect a replacement fee. This would likely be collected as an additional amount to your tax payment and would be perpetual.

### **Would the properties involved in the project be annexed to the City of Rochester?**

No, although an orderly annexation agreement is being proposed. Without the township entering into an orderly annexation agreement some of the fees would be 50% higher. The agreement would allow the City of Rochester to charge the same rate for treatment that they provide to their other customers.

### **What are the next steps for moving forward on this project?**

Those who wish to be included in the proposed Subordinate Service District (SSD) Area will need to sign a petition to request the Cascade Township Board for the SSD. This will allow Cascade Township to tax the property owners for the ‘benefit’ that they received from the sewer improvements. This will also allow Cascade Township to collect for the Operation, Maintenance, & Replacement costs for the system and the sewage treatment charges from the City of Rochester.

### **Other Steps for moving forward on the sewer project:**

- Cascade Township will be considering the Orderly Annexation Agreement
- WHKS (Engineering firm) will prepare the plans and specifications for moving forward after the SSD is in place.